

OPEN MEETING AGENDA ITEM



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bp solar

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18 August 2009

Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

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Re: Docket Number E-01345A-09-0263

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Dear Commission:

BP Solar is a leading manufacturer and marketer of solar power systems for residential, commercial, government and utility applications, and we appreciate the opportunity to comment.

As the Commission is aware, in addition to growing consumer interest in solar, public entities, including Arizona schools are increasingly interested in solar as a hedge against rising power costs. BP Solar and its partner, Sundial Capital Partners, have been working with several Arizona schools to help them benefit from the deployment of solar power. The economic viability of such projects in most cases depends on the availability of utility rebate incentives. Since the non-residential solar sector has successfully committed the currently allocated solar incentives, solar incentive alternatives must be considered for a number of Arizona public schools to benefit.

For this reason, BP Solar supports APS's request in this docket to allow residential rebate incentive funds that were previously allocated (but would likely not be used) to apply instead to school projects and consideration for additional funding for non-residential projects in next year's budget. Without these changes, the schools interested in solar would likely not receive a utility incentive award under the APS program and therefore would not be able to adopt solar power.

The up-front incentive that APS plans on offering school deployments will help BP Solar and its partner offer an affordable and fair price to Arizona public schools. Current financial market conditions require the up-front rebate that APS is planning to finance these systems and help the schools with the adoption of solar. This new plan will assist financiers overcome the lack of availability of tax equity financing.

The new incentive will not only assist Arizona public schools, it will help spur job growth in the green sector and mobilize a slow construction economy for Arizona. We

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understand reallocating funds is a sensitive issue, but the demand for solar at public schools is something that presents a significant economic opportunity for the state's economy at a time of real challenge. We thank and support APS in providing a short-term solution for Arizona public schools and assisting in being progressive to assist the local economy.

The unused residential funds would be better allocated for providing Arizona's public schools with a reliable and available solar incentive. From a public policy perspective, granting this request would be a win for the schools and Arizona residents.

Sincerely,

A handwritten signature in black ink, appearing to read "Reyad Fezzani", with a stylized flourish at the end.

Reyad Fezzani
CEO BP Solar

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